

ACADIANA LEGAL SERVICE CORPORATION
1020 SURREY ST.
LAFAYETTE, LA 70501

TO THE BOARD OF DIRECTORS

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

RECIPIENT NO: 619051

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/9/10

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ACADIANA LEGAL SERVICE CORPORATION
1020 SURREY ST.
LAFAYETTE, LA 70501

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Acadiana Legal Service Corporation
1020 Surrey Street
Lafayette, La 70501**

I have audited the accompanying statement of financial position of the Acadiana Legal Service Corporation "a nonprofit organization" as of December 31, 2009 and 2008 the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Legal Service Corporation as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 20, 2010, on my consideration of Acadiana Legal Service Corporation internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Acadiana Legal Service Corporation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Bobbie L Howard
Certified Public Accountant

Houma, La
April 20, 2010

ACADIANA LEGAL SERVICE CORPORATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Cash And Cash Equivalents	\$ 392,873	\$ 275,876
Investments	81,650	80,403
Grants Receivables	58,003	75,059
Other Current Assets	37,166	25,555
Prepays	<u>38,477</u>	<u>47,799</u>
Total Current Assets	\$ 608,169	\$ 504,692
<u>Restricted Assets</u>		
Client Trust Account	25,330	28,690
<u>Noncurrent Assets</u>		
Utility & Building Deposits	1,190	6,190
Fixed Assets, net	404,528	265,000
Total Assets	\$ <u>1,039,217</u>	\$ <u>804,572</u>

See auditor's report and notes to financial statements.

LIABILITIES AND NET ASSETS**2009****2008****Current Liabilities**

Accounts Payable	\$ 31,482	\$ 15,410
Accrued Liabilities	154,519	151,427
Lease Obligation	-	706
Current Portion of Long Term Debt	4,356	-
Deferred Revenue	158,244	179,500

Total Current Liabilities**\$ 348,601****\$ 347,043****Current Liabilities (Restricted)**

Client Trust Deposits	25,330	28,690
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Total Current Liabilities**373,931****375,733****Long term liabilities****Notes payables, net of current portion****92,551****-****Total Liabilities****\$ 466,482****\$ 375,733****Net Assets**

Unrestricted	572,735	428,839
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Total Net Assets**572,735****428,839****Total Liabilities and Net Assets****\$ 1,039,217****\$ 804,572**

See auditor's report and notes to financial statements.

ACADIANA LEGAL SERVICE CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008

	<u>REVENUES</u>	<u>2009</u>	<u>2008</u>
Revenues And Support:			
Grants And Contracts	\$	2,943,767	\$ 2,535,155
Investment Income		2,403	6,496
Donated Services		4,283	1,065
Micellaneous		11,181	29,026
Total Revenues And Support		<u>2,961,634</u>	<u>2,571,742</u>
	<u>EXPENSES</u>		
Legal Services		2,355,927	2,165,130
Supportive Services Administrative		471,811	419,393
Total Expenses	\$	<u>2,827,738</u>	<u>\$ 2,584,523</u>
Change in Net Assets		133,896	(12,781)
Adjustment-Sub-grantee		10,000	-
Net Assets, Beginning of year		428,839	441,620
Net Assets, End of year	\$	<u>572,735</u>	<u>\$ 428,839</u>

See auditor's report and notes to the financial statements.

**ACADIANA LEGAL SERVICE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Legal Services</u>	<u>Supportive Services Administrative</u>	<u>Total Expenses</u>
Salaries and Wages:			
Lawyers	\$ 736,139	\$ 150,776	\$ 886,915
Non- Lawyers	725,063	148,507	873,570
Employee Benefits	340,468	69,734	410,202
Space Cost And Renovation	93,714	19,194	112,908
Equipment Rentals and Maintenance	41,496	8,499	49,995
Office Supplies and Expenses	34,906	7,150	42,056
Travel & Training	78,359	16,049	94,408
Depreciation	44,268	9,067	53,335
Library and Other Supplies	36,615	7,499	44,114
Telephone	63,784	13,064	76,848
Insurance	37,922	7,767	45,689
Contractual Services	43,421	9,945	53,366
Membership Fees	17,705	3,626	21,331
Litigation Costs	5,982		5,982
Sub-grants	45,129	-	45,129
Access to Justice	6,398	-	6,398
Miscellaneous	4,558	934	5,492
	<u>4,558</u>	<u>934</u>	<u>5,492</u>
Total Expenses	<u>\$ 2,355,927</u>	<u>\$ 471,811</u>	<u>\$ 2,827,738</u>

See auditor's report and notes to financial statements.

**ACADIANA LEGAL SERVICE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Legal Services</u>	<u>Supportive Services Administrative</u>	<u>Total Expenses</u>
Salaries and Wages:			
Lawyers	\$ 619,367	\$ 126,858	\$ 746,225
Non- Lawyers	685,653	140,435	826,088
Employee Benefits	295,312	60,485	355,797
Space Cost And Renovation	111,675	22,873	134,548
Equipment Rentals and Maintenance	16,296	3,338	19,634
Office Supplies and Expenses	46,356	9,495	55,851
Travel & Training	74,887	15,338	90,225
Depreciation	61,728	12,643	74,371
Library and Other Supplies	38,234	-	38,234
Telephone	63,126	12,929	76,055
Insurance	38,265	7,838	46,103
Contractual Services	15,262	3,126	18,388
Membership Fees	14,054	2,878	16,932
Litigation Costs	5,647	1,157	6,804
Sub-grants	46,614	-	46,614
Access to Justice	24,786	-	24,786
Miscellaneous	7,868	-	7,868
	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 2,165,130</u>	<u>\$ 419,393</u>	<u>\$ 2,584,523</u>

See auditor's report and notes to financial statements.

ACADIANA LEGAL SERVICE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities:		
Increase in net assets	\$ 133,896	\$ (12,781)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	53,335	74,371
(Increase) decrease in operating assets:		
Investments	(1,247)	(2,307)
Grants Receivables	17,056	41,365
Other Receivables	(11,611)	(2,240)
Prepays	9,322	(19,430)
Building and Utilities Deposits	5,000	(5,000)
Client Trust	3,360	(490)
Increase (decrease) in operating liabilities:		
Accounts payable	16,072	3,475
Accrued Liability	3,092	(21,157)
Deferred Revenue	(21,256)	94,925
Current Portion of Capital Lease	-	(11,521)
Client Trust	(3,360)	490
Capital Lease	(706)	(827)
Total Adjustments	65,897	151,654
Net Cash Provided by Operating Activities:	202,953	138,873
Cash Flows from Investment Activities		
Purchase of Fixed Assets	(16,638)	(14,898)
Purchase of Building	(176,225)	-
Net Cash Provided by Investing Activities	(192,863)	(14,898)
Cash Flows from Financing Activities		
Loan proceeds	100,000	-
Payment on loan	(3,093)	-
Funds due from sub grantee	10,000	-
Net Cash Provided by Financing Activities	106,907	-
Net Increase in Cash and Cash Equivalents	116,997	123,975
Cash and Cash Equivalents at Beginning of Year	275,876	151,901
Cash and Cash Equivalents at End of Year	\$ 392,873	\$ 275,876
Supplemental Disclosure of Cash Flow		
Cash Paid During the Period for Interest	\$ 3,150	\$ 865

See auditor's report and notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Acadiana Legal Service Corporation is a non-profit organization created in 1978 to provide legal assistance in non-criminal proceedings or matters to persons unable to afford such counsel. The Corporation is funded primarily by Legal Services Corporation (the "LSC"), a nonprofit corporation established by Congress to administer a nationwide legal assistance program. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and the requirements of LSC.

2. Presentation of Financial Statement

The accompanying financial statements of Acadiana Legal Service Corporation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

3. Basis of Reporting

Financial statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organization. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

5. Client Trust Escrow Funds:

Funds received from clients are deposited into a separate cash account and restricted for the payment of expenses in connection with related litigation.

6. Investments

Investments are stated at cost or amortized cost, which approximates markets. As of December 31, 2009 the Corporation's investments consisted solely of certificates of deposit.

7. Estimate

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

8. Functional Allocation of Expenses

The costs for providing for various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated among the programs and supporting services benefited.

9. Income Tax Status

The Corporation is exempt from federal tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Corporation has been classified as an organization that is not a private foundation under Section 509(a) (2).

10. Fixed Asset

Fixed assets are recorded at cost, when purchased, or if donated, at the estimated fair value on the date of donation. Depreciation is providing over the estimated useful lives of the respective assets using the straight-line method.

note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

11. Deferred Revenue

Deferred revenue is recognized for grants, awards, or other income received which are not considered to be earned at balance sheet date.

12. Support

The Corporation recognizes grant funds from LSC as support on the straight-line basis over the grant period. In accordance with LSC regulations, the Corporation may retain unexpended grant funds for the use in future periods provided such funds are not in excess of 10% of the recipient's annualized funding and expenses incurred are in compliance with the specified terms of the grant agreement. For the year ending December 31, 2009 Acadiana Legal Service Corporation fund balance exceeded 10% of its annualized support by \$31,195. As a result of the excess fund balance, Acadiana Legal Service Corporation will request a waiver for the 10% ceiling as specified in Regulation 1628.

13. Contributions

Donated services are recognized as contributions in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." Contributions of donated services that create or enhance non-financial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values in the period.

14. Private Attorney Involvement (PAI)

LSC requires that an amount equal to 12.5% of the basic field award of recipients be devoted to the involvement of private attorneys in the delivery of assistance to eligible clients. Expenses incurred in PAI included all expenses directly related to private attorney involvement as well as allocation of indirect (overhead) expenses. In general, indirect (overhead) expenses are allocated based on the ratio of direct PAI salary cost in relation to total salary costs of all attorneys, paralegal, and support staff.

note B - CASH IN BANK

The Corporation maintains bank accounts at several banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

note C - GRANTS AND CONTRACT RECEIVABLES

Grant receivable for Acadiana Legal Service Corporation consists of the following:

Cajun Area Agency on Aging, Inc.	\$ 2,756
Cenla Area Agency on Aging, Inc.	1,765
Vernon Parish Council on Aging, Inc	10,432
Southeast Louisiana Legal Service-Road Home	32,980
Lafayette Parish Clerk of Court	2,712
Lafayette City Court	312
Alexandria City Court	368
Rapides Parish Clerk of Court	1,069
Beauregard Council on Aging	1,709
Allen Council on Aging	3,750
Pineville City Court	150
Total Grants and Contract Receivables	\$58,003
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note D - FIXED ASSETS

Fixed assets consisted of the following at December 31, 2009

	<u>12/31/08</u>	<u>12/31/09</u>
Building and Improvements	\$ 887,943	\$ 1,036,668
Furniture and Equipment	1,555,375	1,572,013
Library	240,516	240,516
Land	<u>203,665</u>	<u>231,165</u>
Total Fixed Assets	\$ 2,887,499	\$ 3,080,362
Accumulated depreciation	(2,622,499)	(2,675,834)
Net Fixed Assets	\$ 265,000	\$ 404,528

note D – FIXED ASSETS (continued)

Purchased a building in Alexandria, La for \$176,225 (Cost and Improvements).

Depreciation expense for the years ended December 31, 2009 and 2008 Total \$53,335 and \$74,371 respectively.

note e – ACCRUED LIABILITIES

Included in accrued liabilities is annual leave, which vests with the employee and is payable upon termination, totaling \$ 117,219 and \$125,497 at December 31, 2009 and 2008, respectively. Maximum annual leave amounts, which can be carried over to subsequent years, are 225 hours per employee for employees with more than three years of service and 150 hours per employee for employees with less than three years of service. Also included in accrued liabilities is accrued wages, salaries and miscellaneous items.

note F – SUMMARY OF FUNDING**Legal Service Corporation:**

Basic Field-General Grant	01/01/09-12/31/09	\$2,140,390
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Louisiana Bar Foundation:

IOLTA Grant	01/01/09-12/31/09	341,716
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Cajun Area Agency on Aging, Inc:

Title III-B & E 2004-2005 Grant	07/01/08-6/30/09	16,537
Title III-B & E 2005-2006 Grant	07/01/09-6/30/10	<u>16,537</u>
		33,074

Cenla Area Agency on Aging, Inc:

Title III-B & E 2006-2007 Grant	07/01/08-6/30/09	10,591
Title III-B & E 2007-2008 Grant	07/01/09-6/30/10	<u>10,592</u>
		21,183

Louisiana Bar Foundation- Children in Need of Care		51,637
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Allen Council on Aging		2,041
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Louisiana Bar Foundation-Special Disaster Grant		111,500
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15 th JDC and Lafayette City Court -Filing Fees		31,022
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Beauregard Council on Aging		3,418
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note F – SUMMARY OF FUNDING (continued)

Louisiana Bar Foundation-Building Capital Development	\$ 50,000
9 th JDC, Pineville and Alexandria City Court- Filing Fees	22,374
State of Louisiana, Department of Treasury	68,000
LSC-Disaster Relief Grant	67,412
Other Miscellaneous	<u>10,861</u>

Total grants, contracts and miscellaneous support \$2,954,628

note G – LEASE OF FACILITIES

The Corporation leases various facilities to service as branch offices. For the years ended December 31, 2009 and 2008, the Corporation expended \$61,338 and \$66,273, respectively, on lease payments.

As of December 31, 2009, the Corporation was leasing office space in Lake Charles, La. This lease began November 1, 2004 and extends for five years. Monthly rental payments during year one amounted to \$2,284. During year two, monthly rental payments amount to \$2,408. During the year's three to five, monthly rental payments amount to \$2,735. The terms of the lease was extended through December 31, 2010. Rental payments during the renewal period are \$2,958 a month.

As of December 31, 2009 the Corporation was leasing space for the exclusive of two offices in Lake Charles, La. The lease was renewed in 2008 to February 28, 2011. Total annual lease payments associated with this lease amount of \$7,725.

note G—LEASE OF FACILITIES (continued)

As of December 31, 2009, the Corporation was leasing office space in Alexandria. The initial term of this lease ran from April 1, 2004 to March 31, 2007. Initial monthly payments during the initial term amount to \$1,300. The Corporation renewed the lease term on March 31, 2009. The lease term was extended through September 30, 2010. Rental payments during the renewal period are \$1,500 a month. The Corporation has an option to renew for three (3) months each by mutual agreement.

Total minimum rental payments expected under these leases are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 56,721
2011	\$ 1,288

note X—NOTES PAYABLE

The Corporation has an obligation to First Federal Bank of Louisiana bearing interest of 6.25 % for a term of 15 years for the purchase an office building in Alexandria, La. for \$150,000 with \$50,000 down payment and \$100,000 financed. The loan is payable in monthly installment of \$857.42 including interest, and is collateralized by the office in Lafayette, La.

Loan maturities for each of the five years following December 31, 2009, are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 4,356
2011	4,636
2012	4,934
2013	5,251
2014	5,589
Thereafter	<u>72,141</u>
	<u>\$ 96,907</u>

note I – GRANTS TO OTHER AGENCIES

During the year, the Corporation granted \$22,440 of LSC funds to the Lafayette Volunteer Lawyer Project, \$12,689 to Central Louisiana Pro Bono Project, and \$10,000 to Southwest Bar Foundation. All sub-grantees are pro bono programs, which use the funds to provide civil legal services to low-income persons eligible for representation by the Corporation. As of December 31, 2009, all sub-grantees except Southwest Bar Foundation had expended all these funds. Those funds due from Southwest Bar Foundation are included in the fund balance.

note J – RETIREMENT PLAN

The Corporation established a 403(b) retirement plan (the "Plan") for those employees who meet the eligibility requirement set forth in the Plan. The amount of contribution to the Plan is at the discretion of the Board of Directors. The Corporation contributed \$15,908 to the Plan for the year ended December 31, 2009.

note K – CONCENTRATIONS

The Corporation receives a significant portion of its total support from granting agencies. In particular, LSC accounted for 72% of the total support of the Corporation for the year ended December 31, 2009.

note L – FEDERAL AND STATE GRANTS

The Corporation participates in a number of federal and state grant programs that are fully or partially funded by grants received from other governmental entities. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. It is possible that in the event of non-compliance with conditions of grants received, that the Corporation would have to refund to the granting agency those expenditures not deemed to be in compliance. However, management has no knowledge of any liability for refunds to any granting agencies as of December 31, 2009 and through the date of this report.

ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF GRANT AWARD AND EXPENDITURES
LEGAL SERVICE CORPORATION -- BASIC FIELD -- GENERAL
YEAR ENDED DECEMBER 31, 2009

Revenue and Support:

Grant Award	\$ 2,140,390
Interest and Miscellaneous	<u>2,580</u>
Total Revenue and Support	\$ <u>2,142,970</u>

Non- capital Expenditures:

Salaries and Wages	
Lawyers	\$ 415,032
Non- Lawyers	737,367
Employee Benefits	313,382
Space Cost and Renovations	131,892
Equipment Rentals and Maintenance	21,523
Office Supplies and Expenses	38,656
Travel & Training	82,210
Library and Other Supplies	43,545
Telephone	68,928
Insurance	44,313
Contractual Services	27,450
Membership Fees	5,767
Sub grants	40,137
Miscellaneous	<u>25,373</u>
Total Non- Capital Expenditures	\$ <u>1,995,575</u>

Capital Expenditures:

Purchase of Equipment	\$ 13,835
Principle Payments on Capital Leases	706
Purchase of Building	<u>36,073</u>
Total Capital Expenditures	\$ 50,614

Revenue and Support Net of Expenses	\$ 96,781
Net Assets, Beginning	\$ 165,215
Net Assets, Ending	\$ <u>261,996</u>

**ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF GRANT AWARD AND EXPENDITURES
LOUISIANA BAR FOUNDATION-IOLTA GRANT
YEAR ENDED DECEMBER 31, 2009**

Grant :

Grant Award	\$	341,716
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Expenditures:

Salaries and Wages

Lawyers		215,002
Non- Lawyers		38,292
Employee Benefits		63,657
Office Supplies and Expenses		690
Travel & Training		590
Audit Expense		583
Membership Fees		11,404
Litigation Costs		3,718
Access to Justice		6,343
Telephone		1,437

Total Expenditures	\$	341,716
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Revenue and Support Net of Expenditures		-
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Grant Award, Net of Expenditures		-
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ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF PRIVATE ATTORNEY INVOLVEMENT EXPENSES
YEAR ENDED DECEMBER 31, 2009

Private Attorney Involvement Expenses :

Salaries and Wages:

Lawyers	\$ 75,362
Non- Lawyers	54,348
Employee Benefits	35,226
Space Cost and Renovations	7,139
Equipment Rentals and Maintenance	10,294
Office Supplies and Expenses	4,225
Travel & Training	8,985
Library and Other Supplies	4,759
Telephone	7,534
Insurance	4,843
Contractual Services	44,176
Membership Fees	630
Sub grants	35,129
Access to Justice	6,398
Miscellaneous	<u>10,340</u>

Total Private Attorney Involvement Expenses	\$	<u><u>309,388.00</u></u>
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Compliance Requirement Percentage	<u><u>12.50%</u></u>
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Actual percentage of Legal Service Corporation	<u><u>14.45%</u></u>
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**ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grant/ Pass-Thru Grantor/ Program Title	Federal CFDA Number	Agency Pass Thru	Federal Expenditures
Legal Service Corporation Basis Field-General Grant	09-619051		\$2,046,189

The schedule of expenditures of federal awards is presented on the accrual basis of accounting.

BOBBIE L. HOWARD, CPA

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS.**

**To the Board of Directors
Acadiana Legal Service Corporation
1020 Surrey Street
Lafayette, La 70501**

I have audited the financial statements of Acadiana Legal Service Corporation (a nonprofit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated April 20, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Acadiana Legal Service Corporation internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Acadiana Legal Service Corporation internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiencies or combination of control

deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the corporation's financial statements that is more than inconsequential will not be prevented or detected by the corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Acadiana Legal Service Corporation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bobbie L. Howard
Certified Public Accountant

Houma, La.
April 20, 2010

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

**To the Board of Directors
Acadiana Legal Service Corporation
1020 Surrey Street
Lafayette, La 70501**

Compliance

I have audited the compliance of Acadiana Legal Service Corporation (a nonprofit organization) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended December 31, 2009. Acadiana Legal Service Corporation's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each its major federal programs, is the responsibility of Acadiana Legal Service Corporation's management. My responsibility is to express an opinion on Acadiana Legal Service Corporation's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, "Audits of States, Local Governments and Non Profit Organizations". Those standards and *OMB Circular A-133* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Acadiana Legal Service Corporation's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my

opinion. My audit does not provide a legal determination on Acadiana Legal Service Corporation's compliance with those requirements.

In my opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009.

Internal Control Over Compliance

The management of Acadiana Legal Service Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Acadiana Legal Service Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Acadiana Legal Service Corporation's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Audit Committee, Board of Directors, management, Louisiana Legislative Auditor, federal awarding agencies, and pass-through agencies and is not intended to be, and should not

be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bobbie L. Howard
Certified Public Accountant

Houma, La
April 20, 2010

**ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. The auditor's report expresses an unqualified opinion on the financial statements of Acadiana Legal Service Corporation.
2. No instances disclosed during the audit of the financial statements are reported in the Schedule of Finding and Questioned Cost.
3. No instances of noncompliance material to the financial statements of Acadiana Legal Service Corporation which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No instances in internal control over major federal award programs disclosed during the audit are reported in the Schedule of Findings and Questioned Cost.
5. The auditor's report on compliance for the major federal award programs for Acadiana Legal Service Corporation expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program.

Pass Thru Number

N/A

Name of Federal Program

Legal Services Corporation-Basic Field

8. The dollar threshold used to distinguish between Type A and Type B Programs.

Program

Type A

Amount

\$ 300,000

9. Acadiana Legal Service Corporation does not qualify as a low risk auditee, under *OMB Circular A-133, Section 530*.

**ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF FINDING AND QUESTIONED COST
YEAR ENDED DECEMBER 31, 2009**

None:

**ACADIANA LEGAL SERVICE CORPORATION
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 2009**

2007-01	Internal Controls Over Financial Reporting	Resolved
2006-01	Internal Controls Over Financial Reporting	Resolved